

# DIRECTIVE

## JOB TRAINING PARTNERSHIP ACT

Number: D97-19

Date: June 12, 1998

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TO: SERVICE DELIVERY AREA ADMINISTRATORS  
PRIVATE INDUSTRY COUNCIL CHAIRPERSONS  
JTPD PROGRAM OPERATORS  
EDD JOB SERVICE OFFICE MANAGERS  
JTPD STAFF

SUBJECT: FEDERAL AND STATE GUIDANCE FOR 1998 SYETP

### EXECUTIVE SUMMARY:

#### **Purpose:**

This Directive provides combined state and federal guidance regarding Service Delivery Area (SDA) implementation of the 1998 Summer Youth Employment and Training Program (SYETP). The nation's allocation for the 1998 SYETP is listed in "Attachment 1." The state's allocation, by SDA, is provided in "Attachment 2." Additionally, this Directive includes hyperlinks to valuable Internet reference sites for further summer youth reference materials.

#### **Scope:**

This Directive applies to Title II-B of the Job Training Partnership Act (JTPA) and supplements federal guidance found in Department of Labor (DOL) Training and Employment Guidance Letter (TEGL) 4-97, "Attachment 3." Furthermore, this Directive requires SDAs to implement those portions of the JTPA Final Rule as they specifically apply to the SYETP (Section 628.700, et al).

#### **Effective Date:**

This Directive is effective upon date of issue.

### REFERENCES:

- JTPA Section 251-256
- JTPA Final Rule, Title 20, Code of Federal Regulations (CFR), Sections 627.235(c) and 628.700-628.710
- Family Economic Security Act; California Unemployment Insurance Code; Section 15012 (c)
- DOL TEGL 4-97: "Program Guidance and Allocations for the Calendar Year 1998 Summer Youth Employment and Training Program"
- DOL TEGL 7-95: "Job Training Partnership Act (JTPA) Intertitle Transfers of Funds"

- DOL Training and Employment Information Notice (TEIN) 28-97: “Private Sector Summer Jobs Focus Groups’ Report”
- DOL TEIN 33-92: “Child Labor Restrictions Applicable to Youth Participants in Job Training Partnership Act (JTPA) Funded Programs”
- DOL Secretary's Commission on Achieving Necessary Skills (SCANS) Internet Homepage
- DOL Summer Youth Programs Internet Homepage
- JTPA Directive D97-7: Eligibility Determination and Verification For Titles II, III, and IV-C; October 7, 1997
- JTPA Directive D97-6: Procurement; September 11, 1997
- JTPA Directive D96-18: JTPA Fund Transfers; February 18, 1997
- JTPA Directive D95-24: Payments to Participants, Supportive Services, and Financial Assistance; December 20, 1995

### **STATE-IMPOSED REQUIREMENTS:**

This Directive contains some state-imposed requirements. These requirements are indicated by ***bold, italic type***.

### **FILING INSTRUCTIONS:**

This Directive supersedes D96-20, dated April 2, 1997. The guidance in this Directive pertains to the 1998 SYETP only.

### **BACKGROUND:**

The SYETP, funded under Title II-B of JTPA, provides summer jobs for economically disadvantaged youth ages 14-21 during the summer months. The SYETP has traditionally emphasized the inextricable link between education and the world of work. The Act codified program design elements of Title II-B such as academic enrichment and educational linkages, the need for basic education and pre-employment training, and the integration of work and learning into summer programs.

The DOL TEGL 4-97 provides the 1998 SYETP allocations to the states and guidance to the summer program. While the total obligation to the states of \$871 million matches the prior year, California’s allotment of \$140,130,051 is slightly lower than last year’s \$150,622,655.

The DOL vision of SYETP, is one where new entrants to the labor force with limited job histories can:

- Build and refine strong work foundation and employment competencies,
- Experience the discipline of work, and
- Gain an appreciation of the connection between work and learning which is critical to a long-term attachment to, and success in, a rapidly changing labor market.

### **Goals:**

In an effort to meet the requirements of the Government Performance Results Act (GPRA), DOL has set a national goal for SYETP that 50 percent of disadvantaged youth enrolled in the program will enhance their basic skills in addition to working at summer jobs. The DOL is encouraging increased enrollment in the academic enrichment component as a vehicle for achieving this goal and attaining higher educational levels. This includes development of performance management systems for measuring academic enrichment programs. Additionally, DOL encourages SDAs to achieve at least 90 percent of their locally planned enrollment levels. The DOL also encourages integration of SYETP with School-to-Work (STW) and other employment and training activities. Finally, SDAs are encouraged to supplement their SYETP effort with their private sector campaign.

### **POLICY AND PROCEDURES:**

#### **Months of Operation:**

While Section 254 of the act provides that SYETP can operate only during the summer months or in the equivalent vacation period where there is a year-round school system, DOL indicates that intake and planning may occur before school ends. Youth may be concurrently enrolled in Title II-B and Title II-C; however, employment in SYETP may not start before the beginning of the school vacation period. When the SDA wishes to serve out-of school youth prior to the local school vacation period, the SDA may choose among the following approaches:

- Operate an employment program for out-of-school youth before the end of the school year under Title II-C, using existing Title II-C funds or transferred funds from Title II-A or Title II-B;
- Develop a program of concurrent enrollment (Title II-B and Title II-C); and/or,
- Use Wagner-Peyser or locally funded staff, to do job development and placement for this group before school ends.

#### **Procurement:**

The SDAs must comply with all procurement guidance provided by JTPA, the regulations, and ***JTPA Directive D97-6: Procurement***. When assessing bids for services, SDAs must consider past performance, ability to perform, and the reasonableness of costs. The SDA must fully document the decision and provide justification in the procurement file.

#### **Transfers:**

The DOL TEGL 7-95 allows for the transfer of unrestricted amounts of Program Year (PY) 1997 and PY 1998 Title II-C funds to Fiscal Year (FY) 1997 and FY 1998 Title II-B funds and vice versa. Funds are transferred in total (i.e., without regard to cost limits), and SDAs must use the funds in accordance with the appropriate Title II-B or Title II-C rules of the receiving title or part. Transfers can be made at any time during the appropriated life of the funds. However, a transfer must be made within the appropriated years and according to the transfer rules applicable to that year of appropriation. For example, FY 1997 Title II-B funds can only be transferred to

PY 1997 Title II-C and vice versa. The FY 1998 Title II-B funding unilaterally modified into your G800XXX master subgrant can only be transferred to PY 1998 Title II-C (after July 1, 1998) and vice versa. ***Refer to JTPA Directive D96-18: JTPA Fund Transfers, for further guidance on fund transfer requirements and procedures.***

### **Eligibility:**

As in prior years, SDAs may conduct planning and intake prior to the beginning of the vacation period. ***See JTPA Directive D97-7: Eligibility Determination and Verification For Titles II, III, and IV-C. The Family Economic Security Act (FESA) requires the signature of a parent, guardian, or other responsible adult for the purposes of authorizing a minor to participate in JTPA programs. Since many SDAs collect all necessary documentation including the adult signature during a preregistration phase, it is not necessary to reobtain the adult signature during the registration phase if the FESA requirement has been fulfilled during the preregistration phase.***

### **Enrollment:**

Title 20 CFR, Section 627.235(c) allows SDAs to enroll eligible applicants into the summer youth enrollee pool within 45 days of eligibility determination with no requirement that subsequent eligibility determination need be made prior to participation during the period of that summer program.

### **Objective Assessment and Individual Service Strategy (ISS):**

The objective assessment process and the resultant development of ISS may begin once the applicant is enrolled in the enrollee pool. At a minimum, the assessment must include the examination of basic skills (reading and math plus any others deemed appropriate) and supportive services needs. The SDAs may use school records on math and reading scores to determine basic skills levels. As allowed by Title 20 CFR, Section 628.515(b)(2), a fully developed objective assessment is not required for participants enrolled in Title II-B only. Similarly, for participants enrolled in SYETP only, a fully-developed ISS is not required. For those participants transferring to the year-round program under Title II-C, a full objective assessment and ISS are required.

The TEGL 4-97 states DOL does not recommend any particular assessment device. The SDAs must determine locally what instruments are most effective according to their local circumstances. Pre- and post-testing of educational attainment is strongly encouraged, but not required. Title 20 CFR, Section 628.705(b) requires SDAs to ensure the availability of basic or remedial education and preemployment and work maturity skills training for SYETP participants.

### **Program Design:**

The TEGL 4-97 states work-based learning and classroom-based learning must complement and reinforce one another so that the youths are provided with assistance in developing positive work attitudes, values, and habits. While some SDAs may create program designs providing educational services only with no work experience, the TEGL requires that these designs must include some form of

work-related experience such as vocational exploration, job shadowing, simulated workplaces, or similar activity. Any design must be explained in the Job Training Plan approved by the state. Some designs may integrate work and learning to the point that all learning is acquired on the job. The DOL suggests this approach is most useful for older youth who do not suffer from serious educational deficiencies.

The DOL states that SDAs should coordinate SYETP with School-to-Work (also known as "School-to-Career") partnerships in the development of STW components, including school-based learning, work-based learning, and other components. The DOL strongly encourages the strengthening of linkages between Title II-B and the Title II-C year-round program, and states the ability to transfer funds between the two funding sources facilitates the strengthening of these linkages.

While the JTPA regulations allow for limited private sector internships and entry employment experience, DOL cautions there are certain inherent vulnerabilities to such activities, including, but not limited to the:

- Perception of favoritism in choosing one employer over another,
- Placement of youth in jobs they may have attained on their own, and
- Displacement of non-economically disadvantaged youth from jobs they would have had during the summer.

The DOL therefore states that SDAs should maintain documentation on why particular employers were chosen or not chosen as limited internship worksites. In addition, SDAs are encouraged to operate their internship programs in tandem with their voluntary private sector summer jobs campaign to ensure these programs complement, rather than compete against, one another.

In an effort to meet the requirements of GPRA, DOL has set a national goal for SYETP that 50 percent of disadvantaged youth enrolled in the program will enhance their basic skills in addition to working at summer jobs. The DOL is encouraging increased enrollment in the academic enrichment component as a vehicle for achieving this goal. While the state will not assess SDA performance toward this goal on a compliance basis, it strongly encourages each SDA to incorporate strategies for measuring whether participants' basic skills have been enhanced.

### **Job Safety and Health:**

The TEGL 4-97 encourages all SDAs to review federal, state, and local safety; job health standards; and child labor restrictions to ensure that participants are not assigned to activities that violate these standards or restrictions. The DOL TEIN 33-92 provides a summary of child labor restrictions. In addition, the State Department of Industrial Relations has updated its publication entitled, *California Child Labor Laws: 1998*, designed to give a broad understanding of child labor laws in the state. This publication may be obtained by contacting the State Department of Industrial Relations at (415) 975-2080.

## **Private Sector Summer Jobs and the Work Opportunity Tax Credit (WOTC):**

The TEGL 4-97 encourages SDAs to involve the private sector in providing unsubsidized summer jobs programs using the Work Opportunity Tax Credit (WOTC) as an incentive. See “Attachment 3”—TEGL 4-97, Attachment II—for;

- Further information on the Private Sector Summer Jobs program and
- More information regarding WOTC, as will JTPA Directive D96-23. Further information on WOTC can be obtained from EDD's web site at <http://www.edd.cahwnet.gov/wotcind.htm> or by contacting EDD's WOTC coordinator, Jeanne Sweeney, Job Service Division, 800 Capitol Mall, MIC 37, Sacramento, CA, 95814. Ms. Sweeney can be reached at (916) 654-9715.

## **Compensation:**

***In 1996, California voters passed Proposition 210, the Living Wage Act of 1996, adding Section 1182.11 to the California Labor Code, and raising the minimum wage. The final step in the minimum wage increases required by that act was to \$5.75 on and after March 1, 1998. Therefore, those individuals enrolled in wage-paid JTPA activities on or after March 1, 1998, must be paid not less than \$5.75 per hour.*** The Opportunity Wage created by the federal Minimum Wage Increase Act, \$4.25 an hour for the first 90 days a youth under 20 is initially employed, does not apply to JTPA programs.

Section 627.305 of the regulations uses the term “work-based training payment” or “training payment for combined activities,” instead of the term “wage,” to reflect the rare circumstances when a participant may not be in an employer/employee relationship as defined by the Internal Revenue Service (IRS). The terms “work-based training payment” or “training payment for combined activities” are also used to make clear that the SDA may not be required to make a payment equal to the minimum wage. Section 627.305(d) states that these work-based training payments may be wages. The DOL emphasizes that work-based training payments in most training situations should be equal to or exceed the minimum wage to best simulate a work setting.

***The determination of whether payments are training payments or wages rests upon whether participants are “employees.” Typically, an employer/employee relationship exists if the employer has the right to control, direct, and discharge the employee and if the employee receives compensation according to the employer’s general rate structure. If the employer/employee relationship exists and the participants receive compensation for services performed, then this compensation is wages.***

The 1998 SYETP participants may be compensated for both worksite and classroom activities. Participants do not have to spend more than half of their time for combined activities in the worksite setting in order to receive compensation as do Title II-C participants. The SYETP employees engaged in work activities where there is an employer/employee relationship shall be paid training payments that comply with federal, state, and local laws governing wage payments. When participants are paid wages, they are subject to normal withholding of taxes applicable to similarly

situated employees. While TEGL 4-97 is silent on whether training payments for classroom activities, bonuses, and incentives are taxable, the state recommends that these payments be treated as taxable income unless an SDA obtains a waiver from the IRS for their specific situation.

Regarding payment for work experience, DOL has stated that the IRS is solely responsible for determining whether any given compensation is subject to Social Security taxes. While the IRS has not issued “blanket guidance” about whether work experience is subject to the Federal Insurance Contributions Act (FICA) deductions, the state recommends that these deductions be made unless an SDA obtains a waiver from the IRS for their specific situation.

For classroom training activities, participants may be:

- Paid training payments at the same level as payments for work experience and subject to the same rules governing the payment of wages;
- Provided with training payments equal to work-based training payments (or less);
- Provided with incentive and bonus payments only, or in addition to the previously mentioned payments; or
- Paid nothing at all.

***If an SDA plans to use bonus and incentive payments, this intention must be clearly stated in its two-year plan. Use of these payments must be indicated under Title II Assessment, Referral, Services, Competencies, C, n. and Services, subsection (3), paragraph (c) Incentive and Bonus Payments.***

#### **Follow-up Services:**

Under the Final Rule, SDAs shall make available to participants Follow-up Services authorized in the ISS for a period of up to one year after program participation. This includes any concurrent period of subsequent participation in the Title II-C program. Title II-B funds may be used for the delivery of these services. These Follow-up Services shall include the full array of supportive services described in Section 4(24) of JTPA excluding financial assistance.

#### **Reporting:**

***The Title II-B allocations provided with this Directive are for FY 1997-98. For expediency, the state will issue these funds to the SDAs as a unilateral modification to the PY 1997-98 master subgrant (G800XXX) under the new grant code 335. Cash draw downs can be made immediately upon completion of the subgrant modification. These funds must be accounted for separately from all other Title II funds for PY 1997-98. More detailed reporting requirements for all funding sources will be provided by the state under a separate transmittal.***

#### **Reference Materials:**

The Job Training Partnership Division maintains an inventory of resources, previously distributed to the SDAs, concerning the development of summer youth

employment programs. The following materials are available in limited quantities and may be requested by contacting Diane Coad of the Employment Training Network at:

Telephone	E-mail
(916) 654-8896	dcoad@edd.ca.gov

Several of the publications which can be downloaded from the DOL Employment and Training Administration web site are listed below:

- *Communities Committed to Improving Academic Enrichment in Summer Youth Employment Programs: The 1994 Summer Youth Challenge Edition* “field kit,” sponsored by DOL; prepared by The Center for Human Resources, Brandeis University, Waltham Massachusetts. The “field kit” is not available through Internet access, it is only available through the Employment Training Network.
- *Summer Youth Employment Resource Guide: Involving the Private Sector*, prepared by Maryland Institute for Employment and Training Professionals. <http://www.wdsc.org/summeryouth>.
- *Casebook of Private Sector Summer Youth Employment Programs*, prepared by Westat, Inc.; Rockville, Md., <http://www.wdsc.org/summeryouth>.

“Attachment 4” is DOL TEIN 28-97 which announces the publication and distribution of the *Report on Focus Groups: National Private Sector Summer Jobs Campaign*, prepared by Coffey Communications. This attachment can be downloaded from <http://www.wdsc.org/summeryouth/>. Copies may also be obtained by e-mailing JTPD at [jtpdlib@edd.ca.gov](mailto:jtpdlib@edd.ca.gov). The Subject line should read, “Attachment,” or contact Gia Valla, JTPD, Internal Technical Support Unit, at (916) 654-7686.

#### **ACTION:**

This Directive requires immediate implementation.

#### **INQUIRIES:**

Please direct any questions regarding this Directive to your program manager at (916) 654-7799 or to Charles Kilbourne, JTPD, Policy Unit, at (916) 653-9270.

/S/ BILL BURKE

Assistant Deputy Director

Attachments are available on the Internet:

1. Nationwide JTPA Title II-B CY 1998 Allotments
2. Statewide JTPA Title II-B CY 1998 Allotments



Attachments can be downloaded from: <http://www.wdsc.org/summeryouth>. Copies may also be obtained by e-mailing JTPD at [jtpdlib@edd.ca.gov](mailto:jtpdlib@edd.ca.gov), subject line should read: "Attachment" or contact Gia Valla with the Internal Technical Support Unit, at (916) 654-7686.

3. TEGL 4-97: Program Guidance and Allocations for the Calendar Year 1998 Summer Youth Employment and Training program
4. *Report on Focus Groups: National Private Sector Summer Jobs Campaign*  
TEIN 28-97: Private Sector Summer Jobs Focus Groups' Report

**U.S. Department of Labor  
Employment and Training Administration  
JTPA Title II-B (Summer Youth)  
Calendar Year 1998 Allotments**

**Total                      \$871,000,000**

Alabama	13,258,250	New Jersey	25,414,749
Alaska	3,208,610	New Mexico	9,004,072
Arizona	15,074,802	New York	67,934,185
Arkansas	8,240,139	North Carolina	13,833,737
California	140,130,051	North Dakota	2,134,275
Colorado	6,290,971	Ohio	34,457,236
Connecticut	8,257,782	Oklahoma	7,020,911
Delaware	2,134,275	Oregon	10,646,254
District of Columbia	3,260,844	Pennsylvania	33,123,606
Florida	34,961,391	Puerto Rico	40,761,613
Georgia	17,864,407	Rhode Island	2,671,035
Hawaii	4,262,082	South Carolina	12,966,684
Idaho	3,296,810	South Dakota	2,134,275
Illinois	35,142,659	Tennessee	16,918,943
Indiana	11,811,742	Texas	72,501,450
Iowa	3,495,866	Utah	2,623,826
Kansas	3,689,930	Vermont	2,134,275
Kentucky	14,861,254	Virginia	14,354,723
Louisiana	19,059,992	Washington	18,972,912
Maine	3,330,317	West Virginia	8,636,383
Maryland	10,742,600	Wisconsin	7,722,862
Massachusetts	13,896,999	Wyoming	2,134,275
Michigan	25,850,333	American Samoa	66,121
Minnesota	8,631,285	Guam	806,424
Mississippi	10,855,895	Marshall Islands	23,765
Missouri	12,952,118	Micronesia	56,317
Montana	2,749,993	Northern Marianas	30,931
Nebraska	2,134,275	Palau	9,326
Nevada	3,926,495	Virgin Islands	457,253
New Hampshire	2,235,573	Native Americans	15,839,842

## JTPA FINAL ALLOCATIONS FOR PROGRAM YEAR 1998

## Title II-B 100 Percent Allocation

Alameda County	\$1,705,215	Orange	3,719,825
Anaheim City	888,377	Richmond	465,361
Butte	1,019,336	Riverside	6,230,161
Carson/Lomita/Torrance	603,062	Sacramento	3,794,750
Contra Costa	1,567,627	San Benito	362,789
Foothill	959,748	San Bernardino City	1,091,392
Fresno	7,128,937	San Bernardino County	5,357,123
Golden Sierra	1,263,490	San Diego	7,698,467
Humboldt	576,438	San Francisco	2,581,979
Imperial	2,404,876	San Joaquin	3,783,015
Kern/Inyo/Mono	5,077,523	San Luis Obispo	670,102
Kings	868,198	San Mateo	1,060,225
Long Beach	2,136,925	Santa Ana	1,379,740
Los Angeles City	22,747,963	Santa Barbara	1,270,057
Los Angeles County	16,301,122	Santa Clara	3,017,691
Madera	996,431	Santa Cruz	1,328,027
Marin	377,830	SELACO	1,583,275
Mendocino	459,557	Shasta	947,773
Merced	1,936,829	Solano	1,359,915
Monterey	2,632,958	Sonoma	909,626
Mother Lode	727,657	South Bay	1,577,059
Napa	321,766	Stanislaus	3,620,349
NoRTEC	1,282,637	Tulare	3,739,245
NCC Consortium	1,983,343	Ventura	2,843,955
NOVA	606,642	Verdugo	815,833
Oakland	1,759,621	Yolo	588,209
STATE TOTAL		\$140,130,051	